

Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number David R. Hagen State Bar No: 108383 MERRITT & HAGEN 6320 Canoga Ave., Suite 1400 Woodland Hills, CA 91367 (818) 992-1940 Fax (818) 992-3309	FOR COURT USE ONLY
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA	
In re: BRIAN KEVIN NAINBY and LAURA LEA NAINBY Debtor(s).	CASE NO.: SV05-14344-MT

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date:	Time:
Location: Crtrm 302, 21041 Burbank Blvd., Woodland Hills, CA	

Type of Sale: ☒ Public: ☐ Private: Last date to file objections: _____

Description of Property to be Sold: Single Family Residence located at 15916 Calle Cheval,
Green Valley, CA 91390

APN NOS: 3227-018-022 and 3227-018-024

Terms and Conditions of Sale: Sale is on an "as is" and "where is" basis without any
warranties or representations by the Trustee. Purchaser price is \$268,000 with
\$8,040 deposit. The sale is subject to Court approval and overbid as described
below.

Proposed Sale Price: \$268,000

Overbid Procedure (If Any): Initial overbid of \$270,000 and subsequent overbids in
increments of \$2,000. Deposit of \$8,640 by cashier's check due at time of hearing.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

Jan Neiman
Neiman Realty
14205 Collins Street
Van Nuys, CA 91401
818-786-2686 Fax 818-785-5925

Date: 2/27/06

F 6004-2

1 DAVID R. HAGEN #108383
MERRITT & HAGEN
2 6320 Canoga Ave. Suite #1400
Woodland Hills, CA 91367-2498
3 (818) 992-1940 Fax (818) 992-3309
4

5 Chapter 7 Trustee
6
7

8 UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT OF CALIFORNIA,
9 SAN FERNANDO VALLEY DIVISION
10

11 In re:

12 BRIAN KEVIN NAINBY AND
13 LAURA LEA NAINBY

14 Debtors.
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Case No. SV05-14344-MT

Chapter 7

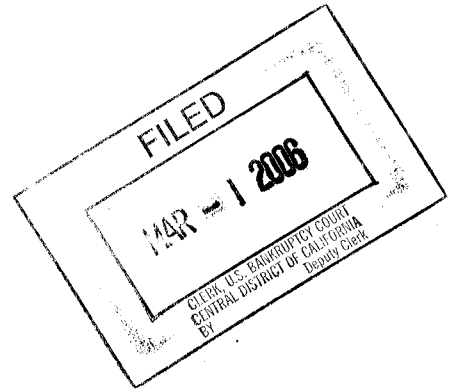
**TRUSTEE'S MOTION TO SELL
CERTAIN REAL PROPERTY;
MEMORANDUM OF POINTS AND
AUTHORITIES; DECLARATIONS IN
SUPPORT THEREOF**

Date: April 3, 2006
Time: 10:00 a.m.
Ct rm: 302

21041 Burbank Blvd.
Woodland Hills, CA 91367

21
22 TO THE HONORABLE MAUREEN TIGHE, UNITED STATES BANKRUPTCY
23 JUDGE, THE UNITED STATES TRUSTEE, THE DEBTOR, OTHER INTERESTED PARTIES,
24 AND TO THEIR COUNSEL OF RECORD:

25 David R. Hagen, the duly appointed and acting Chapter 7 Trustee (the "Trustee" or the
26 "Movant") for the Estate of Brian Kevin Nainby and Laura Lea Nainby (the "Debtors"), hereby moves
27 the Court for an order, pursuant to 11 U.S.C. § 363(b), to sell an asset of the Estate which consists of
28 the real property located at 15916 Calle Cheval, Green Valley, California 91390, bearing APN Nos.



1 3227-018-022 and 3227-018-024, ("Property"), on an "as is" "where is", basis to Güngör Demirezer(the
2 "Buyer") for the sum of \$268,000 in cash, allowing the Trustee to pay one (1) undisputed consensual
3 lien directly from escrow, seeking authority to pay commission of 3.5% of sales price to the Real Estate
4 Broker, unless the buyer is an over-bidder in which case the commission will be 6% and all the
5 associated closing costs; allowing the Trustee to deliver to the Debtors their homestead allowance of
6 \$75,000 after inspection of the Property; allowing the Trustee to execute and deliver all documents
7 necessary in order to effectuate the sale, and to direct the United States Marshal to evict the Debtors
8 from the Property, if necessary. The Trustee also requests that the Court find that the Buyer is a good
9 faith purchaser within the meaning of 11 U.S.C. § 363(m) and subject to the protections thereto.

10 The Trustee believes that the proposed sale is in the best interests of the bankruptcy estate and
11 should be approved as the consideration for the sale is reasonable and the bankruptcy estate will benefit
12 as a result of the sale.

13 MEMORANDUM OF POINTS AND AUTHORITIES

14 I.

15 STATEMENT OF FACTS

16 1. The instant case was commenced by the filing of a Chapter 7 bankruptcy petition on
17 June 24, 2005. Shortly thereafter, Movant was duly appointed as the permanent Chapter 7 Trustee
18 and has acted in that capacity since that time.

19 2. Among the assets of the bankruptcy estate is the real property commonly known as
20 15916 Calle Cheval, Green Valley, California 91390, bearing APN Nos. 3227-018-022 and 3227-
21 018-024. The disposition of the Property is the subject of the within motion. The Property is a 952
22 square foot single family residence with 1 bedroom and 1 bathroom and was built in 1955. The
23 residence is on an approximate 10,497 square foot lot.

24 3. Upon conducting a preliminary analysis on the Property, the Trustee determined there
25 was sufficient equity in the Property for the benefit of the estate creditors if administered by the
26 Trustee. Accordingly, the Trustee applied for authority and received authority on January 11, 2006
27 to employ Neiman Realty, through its agent, Jan Neiman, as the Estate's real estate broker.

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1 4. Shortly thereafter, the Property was listed on the CRIS NET and multiple listing
2 services for the San Fernando Valley and surrounding areas. It was also advertised on Craig's List
3 on the internet.

4 5. The Trustee received one offer, dated February 5, 2006 from the Buyer for the
5 Property. On February 10, 2006 escrow for the Property was opened. A true and correct copy of the
6 escrow instructions and the deposit receipt for a check in the sum of \$8,040 are collectively attached
7 as Exhibit A to the Declaration of David R. Hagen filed in support of this Motion.

8 6. Escrow has been opened with Sail North Hollywood Escrow Company as Escrow No.
9 20065819-JFJ.

10 7. On February 14, 2006 a preliminary title report was prepared by LandAmerica
11 Commonwealth for the Property. A true and correct of the preliminary title report is attached as
12 Exhibit B to the Declaration of David R. Hagen filed in support of this Motion. A review of the
13 preliminary title report reflects that the following lien have been recorded against the Property:

14 (a.) A Deed of Trust in favor of TLP Funding, dated December 1, 2003 in the
15 initial sum of \$141,000. The note which the Deed of Trust secures contains a pre-
16 payment penalty equal to approximately 6 months interest.

17 (b) A recorded Court Order from the Superior Court to secure support payments.
18 Child Support Services Department has been contacted and they stated that the obligation is current.
19 A release of the lien will be obtained by the time of the hearing on this matter.

20 8. After payment of the undisputed liens of approximately \$143,178.20, any unpaid real
21 property taxes, the Debtors' homestead in the amount of \$75,000, the brokers' commission of
22 approximately \$9,380, and other normal closing costs of approximately \$4,020 (1.5% of the sales
23 price) from the proceeds of the sale of the Property, the Trustee anticipates that the estate will net
24 approximately \$37,000 from this transaction. (The Debtors' Schedule F shows approximately
25 \$46,000 in debt.)

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II.

ARGUMENT

A. The Court should authorize the Trustee to sell the property upon the terms as stated herein.

11 U.S.C. § 363(b)(1) provides as follows:

“(b) The trustee, after notice and hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.”

The standard to be applied in determining whether a sale should be authorized under 11 U.S.C. § 363(b)(1) is:

(1) whether such sale is in the best interest of the estate, and

(2) the price is fair and reasonable.

See, generally, *In re Canyon Partnership*, 55 B.R. 520 (Bankr. S.D. Cal. 1985).

The Trustee is given substantial discretion in this regard. See *Big Shanty Land Corp. v. Comer Properties, Inc.*, 61 B.R. 272, 278, (Bankr. N.D. Ga. 1985).

The sale contemplated here is in the best interest of the estate and the price is fair and reasonable.

As discussed in the Declaration of Jan Neiman filed in support of this Motion, the sales price of the Property is fair and reasonable for several reasons. First, although the sales price is somewhat less than the original listing price, the net result is the same as the Broker represents both the Buyer and the Seller and therefore has agreed to reduce her commissions from 6% to 3.5%. Second, the real estate broker has undertaken exhaustive marketing efforts concerning the sale of the Property in order to obtain the highest and best possible price, including listing the Property in the San Fernando Valley listing service and a multiple listing service. The Property was also advertised on Craig's List on the internet. The Property is still listed on these services in an effort to find parties willing to overbid at the hearing.

Given the present circumstances, and given the fact that the proceeds from the sale of the Property would be sufficient to pay the Debtors' claimed homestead exemption as well as potentially a good deal of the general unsecured claims filed in this case, the Trustee believes that the proposed

1 sale terms are fair and reasonable and that such sale is in the best interest of the estate.

2
3 B. The proposed overbid procedure will not prejudice any interested party and may
4 substantially benefit the estate.

5 While the Trustee is prepared to accept the offer for the Property as set forth above, he is also
6 interested in obtaining the maximum price for the property. Accordingly, the Trustee requests that
7 the Court authorize the Trustee to implement an overbid procedure regarding the sale of the Property
8 in the manner set forth below.

9 In order for any party to participate in an overbid procedure regarding the acquisition of the
10 Property, the Trustee requests that the parties comply with the following provisions:

11 (a) Each party (including the Buyer) must be present either physically or telephonically at
12 the hearing on the motion or be represented by an individual or individuals with authority to
13 participate in the overbid process;

14 (b) Each party participating in the overbid process (except the Buyer) must have at the
15 hearing on the motion a deposit in cash or a cashier's check made payable to the Trustee in the
16 amount of \$8,640. The foregoing deposit shall not be refunded if the party subsequently is unable to
17 complete the purchase of the Property;

18 (c) The bidding for the Property shall begin at \$280,000 or similar sales price designated
19 by the Court at the hearing on this motion, without any conditions or credits, with all bids being made
20 in minimal increments of \$2,000; and

21 (d) Each party (including the Buyer) must pay the full amount of the successful bid to the
22 Trustee within the time period set forth in the documents or otherwise within 30 days of the date of
23 the entry of an Order granting the motion, whichever is earlier. In the event that the Buyer are not the
24 successful bidders of the Property, then the successful bidder shall then become the Buyer under the
25 terms and conditions as set forth in these documents. Further, if the successful bidder cannot deliver
26 the balance of the sales price within the above-referenced period, the Trustee shall be authorized to
27 accept the offer made by the next highest bidder and the successful bidder's deposit shall be non-
28 refundable.

1 C. The Court should find that the Buyers are good faith purchasers within the meaning
2 of 11 U.S.C. § 363(m)

3 11 U.S.C. § 363(m) authorizes the Court to make a finding that a buyer is a good faith
4 purchaser. A purchaser of property is protected from the effects of reversal on appeal of the
5 authorization to sell or lease as long as the Court finds that the purchaser acted in good faith and the
6 appellant fails to obtain a stay of the sale. See 11 U.S.C. § 363(m). Although the Bankruptcy Court
7 does not define "good faith," Courts have provided guidance as to the appropriate factors to consider.
8 See *In re Pine Coast Enterprise LTD*, 147 B.R. 30, 33 (Bankr. N.D. Ill. 1992) ("The requirement that
9 a purchaser act in good faith speaks to the integrity of its conduct in the course of the sale
10 proceeding.") As such, the Trustee requests that the Court make a finding that the Buyer is a good
11 faith purchaser of the property within the meaning of 11 U.S.C. § 363(m).

12 D. The Court should enter its Order directing, if necessary, the United States Marshal to
13 evict the Debtor from the Property.

14 The Debtors in this matter has been extremely cooperative. However, in the event the Court
15 grants the within motion, the Trustee will ultimately be required to deliver clear possession of the
16 Property to the successful Buyer in order to consummate the sale transaction. Clear possession may
17 well entail having the Debtors vacate the Property, as the successful Buyer will likely require that the
18 Debtors be removed from the premises prior to the close of escrow. Although the Trustee anticipates
19 that the Debtors will continue to cooperate fully with the Trustee in promptly vacating the Property,
20 the Trustee, both in an abundance of caution and in the interest of judicial economy, requests that the
21 Court enter an Order directing the United States Marshal, if necessary, to evict the Debtors from the
22 premises. The Trustee requests that such a provision be included in the Order authorizing the sale of
23 the Property.

24 **III.**

25 **CONCLUSION**


26 Based on the foregoing, the Trustee respectfully requests that the Court:

- 27 (1) Grant the within motion;
28 (2) Authorize the sale of the Property pursuant to 11 U.S.C. § 363(d);

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- 1 (3) Approve the proposed overbid procedure for the sale of the Property set forth in this
2 motion;
- 3 (4) Authorize the payment of any unpaid real property taxes, the Debtors' claimed
4 homestead amount in the amount of \$75,000 from escrow, the broker's commissions
5 and other normal closing costs from the proceeds of the sale of the Property;
- 6 (5) Find that the Buyer is a good faith purchaser of the Property within the meaning of
7 11 U.S.C. § 363(m);
- 8 (6) If necessary, direct the United States Marshal to evict the Debtors from the Property;
- 9 (7) Approve the form and manner of notice provided by the Trustee; and
- 10 (8) Grant all other appropriate relief.

11
12 DATED: February 27, 2006



DAVID R. HAGEN
Chapter 7 Trustee

DECLARATION OF DAVID R. HAGEN

I, DAVID R. HAGEN, hereby declare as follows:

1. I am the duly appointed, qualified and acting Chapter 7 Trustee (the "Trustee") for the estate of Brian Kevin Nainby and Laura Lea Nainby ("Debtors").

2. I have personal knowledge of the matters discussed below and, if called as a witness, could and would competently testify thereto.

3. Among the assets of the Debtors' bankruptcy estate is the interest in the residential real property located at 15916 Calle Cheval, Green Valley, California 91390, bearing APN Nos. 3227-018-022 and 3227-018-024, (the "Property"). The disposition of the Property is the subject of the within motion.

4. Upon conducting a preliminary analysis of the Property, I determined that there was sufficient equity in the Property to the benefit of the estate's creditors, if administered.

5. Accordingly, I requested Court authority to retain the services of a real estate broker and the Court granted this request on January 11, 2006.

6. Shortly thereafter, the Property was listed on the CRIS NET and multiple listing services for the San Fernando Valley and surrounding areas. It was also advertised on Craig's List on the internet.

7. I received one offer, dated February 5, 2006 from the Buyer for the Property. On February 10, 2006 escrow for the Property was opened. A true and correct copy of the escrow instructions and the deposit receipt for a check in the sum of \$8,040 are collectively attached as Exhibit A.

8. Escrow has been opened with Sail North Hollywood Escrow Company as Escrow No. 20065819-JFJ.

9. On February 14, 2006 the Buyer removed all contingencies to the closing of this escrow except for Court approval of the sale.

10. On February 14, 2006, a preliminary title report was prepared by LandAmerica Commonwealth for the Property. A true and correct copy of the preliminary title report is attached as Exhibit B. A review of the preliminary title report reflects that the following lien has been recorded

1 against the Property:

2 Given the present circumstances, in my business judgment, I believe that the proposed sale
3 terms for the Property are fair and reasonable and that the sale should be approved.

4 I declare under penalty of perjury under the laws of the United States that the foregoing is true
5 and correct to the best of my knowledge, information and belief.

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7 Executed this 27th day of February 2006 at Woodland Hills, California.

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10 DAVID R. HAGEN, Declarant
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DECLARATION OF JAN NEIMAN

I, JAN NEIMAN, hereby declare as follows:

1. I am a real estate broker with Neiman Realty. I have personal knowledge of the matters discussed below, and if called as a witness, could and would competently testify thereto.

2. The Trustee received authority on January 11, 2006 to employ Neiman Realty, through myself as its agent, as the Estate's real estate broker to market and sell the Property.

3. The Property was listed and marketed for \$275,000 in January, 2005 based upon the then current physical condition and overall market condition. The listing price and market valuation are appropriate as of the date of this Declaration.

4. Shortly thereafter, the Property was listed on the CRIS NET and a multiple listing service for the San Fernando Valley and surrounding areas. It was also advertised in and Craig's List on the internet.

5. The Trustee received one offer, dated February 5, 2006 from the Buyer for the Property. On February 10, 2006 escrow for the Property was opened. A true and correct copy of the escrow instructions and the deposit receipt for a check in the sum of \$8,040 are collectively attached as Exhibit A.

6. Escrow has been opened with Sail North Hollywood Escrow Company as Escrow No. 20065819-JFJ.

7. On February February 14, 2006 the Buyer removed all contingencies to the closing of this escrow except for Court approval of the sale.

8. I believe that the sales price of the Property is fair and reasonable for several reasons. First, although the sales price is somewhat less than the listed price the end result is the same. Since I represent both the Seller and the Buyer I have reduced my commissions from 6% to 3.5%. The reduced commission rate more than makes up the difference between the sales price and the listing price. Second, I have undertaken exhaustive marketing efforts concerning the sale of the Property in order to obtain the highest and best possible price, including listing the Property on the San Fernando Valley listing service and a multiple listing service. It was also advertised on Craig's List on the internet. The Property is still listed on these services in an effort to find a party willing to overbid at

02/22/2006 00:23 FAX 8187855925

NEIMAN REALTY

002

Sent By: MERRITT&HAGEN,ATTYS.;

818 992 3309;

Feb-23-06 10:24;

Page 3/3

1 the hearing.

2 9. Given the present condition of the Property and based upon sales of comparable homes
3 in the area, it is my professional opinion that the sales price set forth in the motion is fair and
4 reasonable and this sale should be approved.

5 I declare under penalty of perjury under the laws of the United States that the foregoing is true
6 correct to the best of my knowledge, information and belief.

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8 Executed this 23 day of February, 2006 at Van Nuys California.

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12 IAN NEIMAN, Declarant
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24 W:\TRUSTEE\Iagen-Naimby-Motion to Sell Property & Order.wpd
25
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8320 CANOGA AVENUE, SUITE 1400
WOODLAND HILLS, CALIFORNIA 91367
TELEPHONE (818) 992-1940 - FACSIMILE (818) 992-3309



Sail North Hollywood Escrow

12345 Ventura Boulevard, Suite J • Studio City, California 91604
(818) 766-3865 • (818) 760-8670 • Fax (818) 766-9848 • Fax (818) 760-8659

SALE ESCROW INSTRUCTIONS

TO:
SAIL NORTH HOLLYWOOD ESCROW, INC.
12345 Ventura Blvd., Suite "J"
Studio City, CA 91604
(818) 766-3865

ESCROW NO: 20065819- JFJ
DATE: February 10, 2006
PAGE: 1 OF 6
JOHN F. JANSEN
ESCROW OFFICER

BROKER WILL HAND YOU FOR BUYER	\$	8,040.00
BUYER WILL HAND YOU PRIOR TO CLOSE OF ESCROW	\$	259,960.00
TOTAL SALES PRICE	\$	268,000.00

BUYER will deliver to you any instruments and/or funds required from Buyer to enable you to comply with these instructions, all of which you are authorized to use and/or deliver on or before thirty (30) days after court confirmation, and when you are in a position to obtain a standard Policy of Title Insurance through Commonwealth Land Title Company, provided that said policy has a liability of at least the amount of the above total consideration, (new title policy to be delivered to lien holder), covering the following described property in the County of LOS ANGELES, State of CALIFORNIA:

Lot 41, 42, 43, and 44 in Block 2 of Tract No. 8830, in the County of Los Angeles, State of California, as per map recorded in Book 121, Pages 80 to 82 inclusive of Maps, in the office of the County Recorder of said County.

(SELLER STATES PROPERTY ADDRESS IS: 15916 Calle Chavel, Green Valley, CA 91390)

INSURING TITLE VESTED IN: Gungor H. Demirezer

SUBJECT ONLY TO:

ALL (2006/2007) installment(s) of the General and Special County, and City (if any) Taxes, including any special district levies, payments which are included therein and collected therewith, for current fiscal year, not delinquent, including taxes for ensuing year, if any, a lien not yet due or payable; personal property taxes, if any, assessed against any former owner and lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with section 75) of the Revenue and Taxation Code of the State of California, regarding change of ownership or completion of construction.

Covenants, conditions, restrictions, reservations, rights and rights of way of record, easements and the exception of minerals, oil, gas, water, carbons and hydro-carbons on or under said land, now of record.

See the "Residential Purchase Agreement and Joint Escrow Instructions" and "Addendum", attached hereto and made a part hereof, for all provisions of this transaction.

Charge Buyer for cost of compliance with any minimum mandatory government retrofit standards, inspections and reports as required as a condition of closing this transaction.

EXHIBIT A

02/27/06 MON 12:15 FAX 8187669848

SAIL N H ESCROW

003

SALE ESCROW INSTRUCTIONS

TO:
SAIL NORTH HOLLYWOOD ESCROW, INC.
12345 Ventura Blvd., Suite "J"
Studio City, CA 91604
(818) 766-3865

ESCROW NO: 20065819-JFJ
DATE: February 10, 2006
PAGE: 2 OF 6
JOHN F. JANSEN
ESCROW OFFICER

In addition to the aforementioned sum, Buyer will hand you, before the date of recording, sufficient funds to cover adjustments and prorations as hereinbefore set out, Buyer's escrow fees, drawing fees, usual recording fees, Buyer's portion of monument and/or sub-escrow fee, and fire insurance premiums, if applicable.

Seller will hand you all instruments and/or funds necessary to enable you to comply with these instructions. You are authorized to use and/or deliver these instruments and funds as instructed, providing you hold for the account of the Sellers within the time limit provided for, instruments called for in these instructions and all monies due, plus or minus the above prorations and adjustments. From said monies, you shall deduct and pay Seller's escrow fees, drawing fees, usual recording fees, Seller's portion of monument and/or sub-escrow fee, title fee, documentary transfer tax, as required. You are authorized to pay off bonds, assessments and/or taxes, also any encumbrances of record, plus accrued interest and charges, if any, to show title as called for in these instructions. You are instructed to order the title search as soon as possible. From funds held for Seller's account pay commission, if any, as per separate instructions.

The foregoing terms, conditions and instructions, including the "Additional Escrow Instructions" attached hereto, (as if fully set forth herein), have been read and are understood by each of the undersigned, who hereby agree to, concur with, approve and accept the same in their entirety.

SAIL NORTH HOLLYWOOD ESCROW, INC. IS LICENSED UNDER THE DEPARTMENT OF CORPORATIONS OF THE STATE OF CALIFORNIA, UNDER LICENSE NUMBER: 963-0214.

BUYER'S SIGNATURE:

Gungor H. Demirezer

MAILING: c/o: Jan Neiman, Neiman Realty, 14205 Collins Street, Van Nuys, CA 91401
FORWARDING: 15916 Calle Chavel, Green Valley, CA 91390

SELLER'S SIGNATURE:

The Estate of Brian Nainby:



David R. Hagen, Chapter 7 Bankruptcy Trustee

MAILING: 6320 Canoga Avenue #1400, Woodland Hills, CA 91367
FORWARDING: 6320 Canoga Avenue #1400, Woodland Hills, CA 91367

02/27/06 MON 12:15 FAX 8187669848

SAIL N H ESCROW

004

ADDITIONAL ESCROW INSTRUCTIONS

1. All funds received in this escrow shall be deposited with other escrow funds in a non-interest bearing general escrow account or accounts of Sail North Hollywood Escrow, Inc., with any state or national bank, and may be transferred to any other such general escrow account or accounts. The maintenance of such funds in some depository institutions may result in Sail North Hollywood Escrow, Inc. being provided with various bank services or other benefits by the depository institution. Any such services or benefits shall accrue to the Sail North Hollywood Escrow, Inc. and Sail North Hollywood Escrow, Inc. shall have no obligation to account to the parties to this escrow for the value of same. If any check submitted to escrow is dishonored upon presentment for payment, you are authorized to notify all Principals and/or their respective agents of such non-payment. All disbursements shall be made by check of Sail North Hollywood Escrow, Inc.,

(a) Sail North Hollywood Escrow, Inc. shall not be responsible for any delay in closing if funds received by them are not "good funds" (certified or cashier's check drawn on a California bank), deemed available for immediate withdrawal.

(b) Should any Principal herein choose to wire funds into escrow, they acknowledge and agree that funds shall not be considered received and "good funds" until such time that Sail North Hollywood Escrow, Inc. receives notification from their receiving bank that funds are received and available for immediate withdrawal.

(c) Should any Principal herein request that Sail North Hollywood Escrow, Inc. wire funds to them upon disbursement, it is agreed that Sail North Hollywood Escrow, Inc. will not assure nor be responsible in any way for the length of time the wiring process requires from the point in time of sending to receipt of notification from receiving bank.

(d) All funds disbursed from escrow will be issued jointly if there is more than one designated payee, unless Sail North Hollywood Escrow, Inc. receives written instructions to do otherwise.

(e) SECTION 12413.1 TO THE CALIFORNIA INSURANCE CODE SETS FORTH THE FOLLOWING TIMES FOR DISBURSAL OF PROCEEDS AFTER THE FUNDS ARE DEPOSITED TO A TITLE COMPANY'S ESCROW ACCOUNT, UNDERWRITTEN TITLE COMPANY OR CONTROLLED ESCROW COMPANY'S ESCROW ACCOUNT: "Same day delivery availability" is permitted only when funds are deposited in cash or by electronic transfer, however, funds are still required to be deposited in escrow depository account before recording any transaction; "Next day availability" (disbursement on the day following deposit) is available when funds are deposited by cashier's check, certified checks, or teller's checks (insured financial institution checks drawn on another insured financial institution), "Two day availability" (two business days after deposit) is available when funds are deposited by local checks containing a local routing number of 122 or 322. Disbursement on all other checks may occur on the day when funds must be made available to depositors under the Federal Reserve's Regulation CC. Sail North Hollywood Escrow, Inc. is hereby authorized and instructed by the undersigned parties that in the event funds deposited into this escrow become subject to the above restrictions and are not available for disbursement on the date of recording, as stipulated and referred to herein above, that you are nevertheless authorized and instructed to record all documents and to make disbursement of funds upon the availability of "good funds" in compliance with the above Section 12413.1. All parties to this transaction are aware that payoffs and proceeds will not be made until such time as the terms of said section can be met. Sail North Hollywood Escrow, Inc. is hereby released of any liability and/or responsibility for damages arising from compliance with this instruction or for any additional interest that may accrue due to Sail North Hollywood Escrow, Inc.'s compliance with this instruction.

(f) All funds received by Sail North Hollywood Escrow, Inc. which constitute all or a portion of cash payment of over \$10,000 in accordance with Internal Revenue Code section 60501(g) will be reported in accordance with the requirements of the Internal Revenue Service.

2. All disbursements of funds and/or instruments of escrow will be mailed regular first class mail; however, escrow has the option, at its sole discretion, to send certified, registered, federal express, facsimile or by messenger, and charge the receiving party the actual cost of same.

3. All prorations and adjustments called for in this escrow are to be made on the basis of a 30-day month, unless otherwise instructed in writing.

(a) For proration purposes, the Buyer is deemed to own the property the full day, regardless of the time of recording the grant deed.

4. Unless instructed otherwise in writing, you are authorized to prorate or adjust the following:

(a) Real property taxes for the current fiscal year based on the most recent information furnished to you by title insurer herein. The Sail North Hollywood Escrow, Inc. is released from any responsibility or liability in the event this information received by Sail North Hollywood Escrow, Inc. is incorrect. You are not to be concerned with the amount of payment of personal property taxes unless specifically instructed by the parties otherwise.

(b) Premiums on fire insurance, if Buyer is to assume and policy is assignable. Seller warrants that any fire policy handed to escrow is current and in full force. On behalf of Principals you are authorized to execute a form assignment of insurance policy as may be called for in this escrow, order a new loss payee and forward such assignment and policy to any requesting insurance agent and lender.

(c) Interest on trust deeds of record as per the beneficiary statement received in escrow. Debit Buyer and credit Seller with impounds, if any, on assumed loans.

(d) Rents as per rental statement handed to you by Seller. You are to assume that Seller has collected all rents due prior to date of recording, unless instructed otherwise by Principals in writing. Per rental statement, debit Seller and credit Buyer with any security deposits.

(e) Homeowner association dues, as per statement received by escrow.

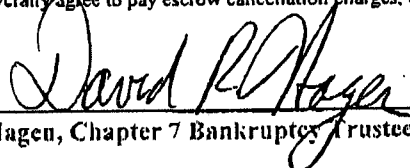
(f) All other prorations as specified by your instructions.

5. The phrase "close of escrow" as used in this escrow means the date on which documents are recorded, unless otherwise specified.

6. You are authorized to record any instruments delivered to you, if necessary or proper for the issuance of the policy of title insurance.

7. You are authorized to furnish copies of escrow instructions, supplements, amendments or notices of cancellation and settlement statements in this escrow to the real estate broker(s), attorney(s) and lender(s) known by you to represent the Principal(s) in this escrow.

8. The Principals herein expressly agree that at its election Sail North Hollywood Escrow, Inc. has the absolute right to file a court action in interpleader, requiring the Principals to answer and litigate their several claims and rights among themselves, and escrow is authorized to deposit with the Clerk of the Court all documents and funds held in this escrow. In the event such action is filed, the Principals jointly and severally agree to pay escrow cancellation charges, costs, expenses



David R. Hagen, Chapter 7 Bankruptcy Trustee

Gungor H. Demirezer

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and actual attorney fees incurred. Upon filing of such action, escrow will be fully released and discharged from any further performance and all duties or obligations otherwise imposed by the terms of this escrow.

9. Seller(s) herein agree to cooperate fully, and to execute and complete necessary documents submitted to Seller(s) by Sail North Hollywood Escrow, Inc., to allow Sail North Hollywood Escrow, Inc. to comply with 1099 regulations for real estate transaction reporting under the Tax Reform Act of 1986.

10. The Principals herein authorize Sail North Hollywood Escrow, Inc. to comply with the Foreign Investment in Real Property Tax Act (FIRPTA), as Sail North Hollywood Escrow, Inc. determines it may pertain to it as Sail North Hollywood Escrow, Inc.. Sail North Hollywood Escrow, Inc., however, not have no liability obligation or responsibility with respect to the withholding of funds pursuant to Section 1445 of the Internal Revenue Code, advising the parties as to the requirements of such Section, determining whether the transferor is a foreign person under such Section, obtaining a non-foreign affidavit or other exemption from withholding under such Section, or otherwise making any inquiry concerning compliance with such Section.

11. In Accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to 3-1/3 percent of the sales price in the case of a disposition of California Real Property interest by either:

- (1) A seller who is an individual who does not qualify for an exemption and sign a written certification in the form required, OR
 - (2) A non-individual with a last known street address outside of California which does not qualify for an exemption and sign a written certification in the form required.
- (A) The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500.00).
- (B) Notwithstanding any other provisions included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:
- (1) (a) In the case of an individual:
 - (i) Total sales price does not exceed \$100,000,
 - (ii) The property is the seller's principal residence (IRC 121),
 - (iii) The sale results in a loss for California tax purposes,
 - (iv) The sale is a like kind exchange (IRC 1031),
 - (v) The sale is, in fact, an involuntary conversion (IRC section 1033), or in certain cases, the sale is an exempt foreclosure and
 - (b) The individual seller certifies that the seller meets a withholding exemption on a certification form authorized by the Franchise Tax Board and delivers same for Sail North Hollywood Escrow, Inc. files.
 - (2) (a) In the case of a non-individual:
 - (i) The non-individual is a corporation, partnership or LLC with a permanent place of business in California,
 - (ii) The non individual is a tax-exempt entity, insurance company, IRA or qualified pension plan
 - (iii) The non-individual is an irrevocable trust with a California trustee,
 - (iv) The non-individual is an estate with a California decedent, or
 - (v) The non-individual or bank is acting as fiduciary for a trust and
 - (b) The non-individual certifies that the non-individual meets a withholding exemption on a certification form authorized by the Franchise Tax Board and delivers same for Sail North Hollywood Escrow, Inc. files.
 - (C) The Seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.
 - (D) The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced withholding and waiver from withholding on a case-by-case basis, but to non-individuals only.
 - (E) The withholding rate is three and one-third percent of the selling price. The seller may request a waiver by contacting:

FRANCHISE TAX BOARD
WITHHOLDING AT SOURCE UNIT
P.O. BOX 651
SACRAMENTO, CA 95812-0651
(916) 369-4900

12. In accordance with Sec. 480.3 of the Revenue and Taxation Code, Buyer will hand Sail North Hollywood Escrow, Inc. prior to the close of escrow a completed Preliminary Change of Ownership Report, which you are instructed to forward with the conveyance document to the County Recorder. In the absence of such form, or if rejected for incompleteness by the County Recorder, escrow will close and Sail North Hollywood Escrow, Inc. will pay from Buyer's funds any additional fee required by the County Recorder. In the event that Buyer's lender will not allow this charge to accrue to the Buyer, Sail North Hollywood Escrow, Inc. is authorized to charge the said fee to the Seller.

13. Sail North Hollywood Escrow, Inc. is not to be concerned with any question of usury in any loan or encumbrance involved in the processing of this escrow and you are hereby released from any responsibility or liability therefore.

14. It is acknowledged and understood by the Principals herein that Sail North Hollywood Escrow, Inc. is not to be concerned with or liable for items designated in the escrow instructions as "matters of memo" or "memoranda", nor any other agreement or contract between the Principals herein not given to the Sail North Hollywood Escrow, Inc. in the form of an "escrow instruction".

(a) Should the Purchase Contract between the Principals be delivered to escrow, Sail North Hollywood Escrow, Inc. is not to be concerned with nor responsible for, and Sail North Hollywood Escrow, Inc. is expressly deemed to not have knowledge, actual, constructive, or otherwise, of the contents of same. You are to retain this document in your possession strictly as an accommodation to the Principals.

Gungor H. Demirezer

David R. Hagen, Chapter 7 Bankruptcy Trustee

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15. These escrow instructions may be executed in counterparts, each of which shall be deemed an original regardless of date of execution or delivery, and together shall constitute one and the same document. In the event that any party delivers a facsimile transmitted instruction, Sail North Hollywood Escrow, Inc. is instructed to rely and act upon such instruction in the same manner as if the original signed instruction or amendment were in the possession of Sail North Hollywood Escrow, Inc. and the party delivering said instruction agrees to forward a signed "hard copy" of said instruction within 48 hours of facsimile transaction. Sail North Hollywood Escrow, Inc. shall have no liability to any party for relying upon facsimile instructions, whether or not erroneously transmitted to Sail North Hollywood Escrow, Inc..

16. You are authorized to draft escrow instructions, amendments, supplements or cancellation instructions per the request of the Principals, their designated agents or lenders; however, you are not to act on any notice or demand until written instructions reflecting same are executed and delivered to you by all Principals concerned.

17. You are authorized to open a title order immediately. If the Principals have not expressly specified a title insurance company, you are to initiate the title order at any reliable title company of your choice in the county in which the property is located.

(a) You are not required to deliver any title report issued in connection with this escrow to any agent or Principal, unless expressly instructed in writing to do so; however, you may do so at your discretion without incurring any liability. You are expressly authorized to submit a copy of the title report to any proposed lender, upon the oral request of such proposed lender.

(b) You are authorized to use the title company as a "sub-escrow" agent, and the Principals agree to pay the fee for such service.

(c) Each Principal herein agrees to deliver to you a fully completed and executed "Statement of Information", to be delivered to the title company, per their requirement.

18. Sail North Hollywood Escrow, Inc. is expressly relieved of any liability or responsibility for the correctness of beneficiary demands or beneficiary statements delivered into escrow by encumbrance holders and the Principals agree to be solely responsible for any discrepancies in same.

19. Sail North Hollywood Escrow, Inc. is not liable or responsible for any loss that may occur by reason of forgeries or false representations made by or involving the parties and Principals to this escrow.

20. Sail North Hollywood Escrow, Inc. will make no physical inspection of the subject real property or personal property, and is not to be concerned nor liable for the condition of same.

21. No search of chattel will be required of you for the sale or transfer of personal property through this escrow, unless you are expressly instructed to do so in writing.

(a) No examination of, or insurance as to the amount of, payment of personal property taxes is required unless specifically requested in writing.

22. You are not to be concerned with the effect of any zoning ordinances, land division regulations or building restrictions which may pertain to or affect the land or improvements that are the subject of this escrow.

23. You are not to be concerned with the giving of any disclosures, warranties or warnings required by Federal or State law, specifically, but not exclusively, RESPA, Regulation Z or Civil Code 1102 (Seller's Disclosure).

24. You are not to be concerned with the terms or conditions of the Buyer's loan or the content of the loan documents, other than to order loan documents into escrow, hand to Buyer for execution and return executed documents to the lender. It is acknowledged by all Principals that escrow is not involved in loan processing and will not advise or give any opinion as to loans.

25. You are authorized to destroy or otherwise dispose of any and all documents, papers, instructions, correspondence and other material pertaining to this escrow at the expiration of five years from the date of close or cancellation of this escrow, and without further notice to the Principals and parties to this transaction.

26. After the time limit date of this escrow, any Principal requesting you to cancel this escrow shall file notice of demand to cancel in your office in writing. You shall within five working days thereafter mail by certified mail one copy of such notice to each of the other Principals at the addresses given you. You are authorized to issue cancellation instructions and cancel this escrow only upon your receipt of executed cancellation instructions from all Principals or pursuant to paragraph 27 below. You are authorized to hold all money and documents in this escrow and take no further action until otherwise directed, either by the Principals' mutual written instructions or by final order of a court of competent jurisdiction. If this is a sale escrow, notwithstanding the foregoing, you may return lender's papers and/or funds upon lender's demand.

27. If there is no written activity by a Principal to this escrow within any six-month period after the time limit date and you have not received any notice of any dispute between the parties or any conflicting instruction, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the respective parties entitled thereto, less a reasonable cancellation fee and costs and charges incurred herein.

28. Upon receipt of conflicting instructions from the Principals or their agents, oral or written, other than cancellation instructions described in paragraph 26 above, you are no longer obligated to take any further action in connection with this escrow until further concurring instructions are received from the Principals to this escrow.

Gungor H. Demirezer
David R. Hagen, Chapter 7 Bankruptcy Trustee

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29. In the event of cancellation of this escrow, the fees and charges due Sail North Hollywood Escrow, Inc. including expenditures incurred or authorized, shall be borne equally by the Principals hereto unless otherwise specifically agreed to or determined by a court of competent jurisdiction.

(a) The Principals herein expressly agree to pay to Sail North Hollywood Escrow, Inc. a reasonable cancellation fee, to be borne equally by the Principals, and only upon payment to escrow of said fee are you obligated to return documents and monies to the respective parties.

30. If this escrow is not in a condition to close by the time limit date stated in these instructions, you are instructed to proceed to close this escrow when the Principals have complied with the escrow instructions, unless demand for cancellation is made pursuant to paragraph 26 above and the requirements of paragraph 26 for cancellation are satisfied prior to closing, in which case you should proceed per 26 above.

31. The Principals agree to hand you, in a timely manner, any funds and instruments required from each to complete this escrow.

32. In these escrow instructions, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

33. Each Principal authorizes you to deduct from his/her net proceeds or net refund, any amount he/she may owe you in any other matter.

34. You are authorized to charge the Principal benefited an additional fee for services rendered that Sail North Hollywood Escrow, Inc. considers extraordinary or unusual, or not within the range of customary escrow processing.

35. You are to charge the accounts of the Principals for costs and charges incurred in this escrow as is "customary" in Los Angeles County, unless expressly instructed to do otherwise in writing.

36. Any application for home protection insurance will be handed to escrow prior to closing. If such insurance is not a condition to the close of escrow, you are authorized to close escrow without receipt of same.

37. Unless otherwise instructed in writing, you are authorized to charge the account of Seller, and disburse from Seller's proceeds at closing, broker's commissions as are set forth in these instructions and/or separate commission instructions forwarded to you.

38. You may, at your sole discretion, upon ten days written notice to all Principals, resign from this escrow and be entitled to all costs and charges accrued and or incurred by you. Less costs and charges, the balance of any funds, property and or instruments shall be returned to the parties who deposited same or forwarded to an escrow agent as designated in writing by all Principals herein.

39. In the event one or more of the above "Additional Escrow Instructions" is held to be invalid in judicial proceedings, the remaining will continue to be operative.

~~40. Excepting only in the event of Sail North Hollywood Escrow, Inc. breach of its express obligations to Principals hereunder, Principals jointly agree to indemnify, defend and hold Sail North Hollywood Escrow, Inc., its officers, directors, employees, agents, harmless from and against any and all claims, losses, damages, costs, liens, judgments, penalties, permits, attorneys and consultants fees, expenses and liabilities arising out of, involving, or in any way dealing with the Principals' transaction. The foregoing shall include, but not be limited to, the defense of any claim or action or proceeding instituted by a third party to recover proceeds held by Sail North Hollywood Escrow, Inc. or to enjoin Sail North Hollywood Escrow, Inc. from discharging its obligations as escrow holder hereunder, or to recover damages for acts or omissions of Sail North Hollywood Escrow, Inc. made in accordance with these instructions. In addition, Principals hereby waive, release and relinquish Sail North Hollywood Escrow, Inc. from any and all liability whatsoever incurred in connection with any act or failure to act in furtherance of Principals' transaction, if such act or omission was taken in accordance with these instructions.~~

41. Unless otherwise expressly set forth in these instructions, as between the Principals, these escrow instructions do not supercede the Purchase Contract, but you shall not be concerned with any inconsistencies, and you shall comply solely with your instructions.

42. Any assignment of funds in escrow shall be in writing signed by the Principal/assignor, and shall be irrevocable and unchangeable without the written consent of the assignee.

43. SHOULD THE PRINCIPALS TO THIS ESCROW HAVE ANY QUESTIONS CONCERNING THE SIGNING OF DOCUMENTS, THE PREPARATION AND LEGALITY OF THESE INSTRUCTIONS OR THE TAX CONSEQUENCES, THEY ARE ADVISED TO CONSULT THEIR ATTORNEY OR FINANCIAL ADVISOR.

44. By signing these escrow instructions, the parties herein acknowledge that they have received, read and have full understanding of the escrow instructions, in its entirety.

Gungor H. Demirezer

David R. Hagen, Chapter 7 Bankruptcy Trustee

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ADDENDUM

Additional Terms to Sale Escrow Instructions

These terms supplement amend and supercede the terms of the foregoing Sail North Hollywood Escrow Instructions Between David R. Hagen, as Chapter 7 Trustee, for Brian Nainby("Seller") and LUNGUA H. Demirezen ("Buyer") as follows:

1. The Seller of the Real Property located at 15916 Calle Chavel, Green Valley, California (hereinafter the "Real Property") is David R. Hagen, as the Chapter 7 Bankruptcy Trustee for Brian Nainby Case # SV05-14344, and not David R. Hagen as an individual.
2. To the degree that the Sale Escrow Instructions conflict with this Addendum, this Addendum controls and the Sale Escrow Instructions are not binding and are superceded.
3. To the degree that the Sale Escrow Instructions contain disclosure or warranty/provisions, the undersigned is the Chapter 7 Bankruptcy Trustee and there will be no warranties or disclosures made concerning the Real Property.
4. Because the sale of the Real Property is a bankruptcy sale, any such sale shall be "as-is" and without any warranties (whatsoever), and any transfer shall be by Bankruptcy Trustee's Deed or Quitclaim Deed at the seller's option.
5. The Buyer and Escrow are aware that any and all sales of the Real Property are subject to Bankruptcy Court approval, are subject to overbid at the time of the court hearing for approval of the sale, and that any Bankruptcy Court Order Approving sale of the Real Property is subject to a ten (10) day waiting period after entry for escrow of close.
6. Any and all disputes in connection with the Sale Escrow Instructions and/or this Addendum are subject to the exclusive jurisdiction and venue of the United States Bankruptcy Court, Case No. SV05-14344 in Woodland Hills, California.
7. No fees shall be paid and no costs shall be reimbursed unless and until ordered by the Bankruptcy Court under II U.S.C. Section 330 and /or 331. Any and all such fees and costs shall be the sole and exclusive liability of and claim against the Bankruptcy Estate, and the Trustee, David R. Hagen, shall not have any personal liability on any account.
8. To the extent that liens, claims or co-owners, or other encumbrances against the property, if any, make the sale infeasible or unprofitable to the Bankruptcy Estate, the Seller may at his option terminate this Agreement and cancel any proposed sale under this Agreement. In such case, the Buyer and Escrow agree to fully and completely release Seller/Trustee from any and all obligations under this Agreement. In addition, any escrow shall be cancelled.



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Sail North Hollywood Escrow

12345 Ventura Boulevard, Suite J • Studio City, California 91604
 (818) 766-3865 • (818) 760-8670 • Fax (818) 766-9848 • Fax (818) 760-8659

SALE ESCROW INSTRUCTIONS

TO:
 SAIL NORTH HOLLYWOOD ESCROW, INC.
 12345 Ventura Blvd., Suite "J"
 Studio City, CA 91604
 (818) 766-3865

ESCROW NO: 20065819- JFJ
 DATE: February 10, 2006
 PAGE: 1 OF 6
 JOHN F. JANSEN
 ESCROW OFFICER

BROKER WILL HAND YOU FOR BUYER	\$	8,040.00
BUYER WILL HAND YOU PRIOR TO CLOSE OF ESCROW	\$	259,960.00
TOTAL SALES PRICE	\$	268,000.00

BUYER will deliver to you any instruments and/or funds required from Buyer to enable you to comply with these instructions, all of which you are authorized to use and/or deliver on or before thirty (30) days after court confirmation, and when you are in a position to obtain a standard Policy of Title Insurance through Commonwealth Land Title Company, provided that said policy has a liability of at least the amount of the above total consideration, (new title policy to be delivered to lien holder), covering the following described property in the County of LOS ANGELES, State of CALIFORNIA:

Lot 41, 42, 43, and 44 in Block 2 of Tract No. 8830, in the County of Los Angeles, State of California, as per map recorded in Book 121, Pages 80 to 82 inclusive of Maps, in the office of the County Recorder of said County.

(SELLER STATES PROPERTY ADDRESS IS: 15916 Calle Chavel, Green Valley, CA 91390)

INSURING TITLE VESTED IN: Gungor H. Demirezer

SUBJECT ONLY TO:

ALL (2006/2007) installment(s) of the General and Special County, and City (if any) Taxes, including any special district levies, payments which are included therein and collected therewith, for current fiscal year, not delinquent, including taxes for ensuing year, if any, a lien not yet due or payable; personal property taxes, if any, assessed against any former owner and lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with section 75) of the Revenue and Taxation Code of the State of California, regarding change of ownership or completion of construction.

Covenants, conditions, restrictions, reservations, rights and rights of way of record, easements and the exception of minerals, oil, gas, water, carbons and hydro-carbons on or under said land, now of record.

See the "Residential Purchase Agreement and Joint Escrow Instructions" and "Addendum", attached hereto and made a part hereof, for all provisions of this transaction.

Charge Buyer for cost of compliance with any minimum mandatory government retrofit standards, inspections and reports as required as a condition of closing this transaction.

SALE ESCROW INSTRUCTIONS

TO:
SAIL NORTH HOLLYWOOD ESCROW, INC.
12345 Ventura Blvd., Suite "J"
Studio City, CA 91604
(818) 766-3865

ESCROW NO: 20065819-JFJ
DATE: February 10, 2006
PAGE: 2 OF 6
JOHN F. JANSEN
ESCROW OFFICER

In addition to the aforementioned sum, Buyer will hand you, before the date of recording, sufficient funds to cover adjustments and prorations as hereinbefore set out, Buyer's escrow fees, drawing fees, usual recording fees, Buyer's portion of monument and/or sub-escrow fee, and fire insurance premiums, if applicable.

Seller will hand you all instruments and/or funds necessary to enable you to comply with these instructions. You are authorized to use and/or deliver these instruments and funds as instructed, providing you hold for the account of the Sellers within the time limit provided for, instruments called for in these instructions and all monies due, plus or minus the above prorations and adjustments. From said monies, you shall deduct and pay Seller's escrow fees, drawing fees, usual recording fees, Seller's portion of monument and/or sub-escrow fee, title fee, documentary transfer tax, as required. You are authorized to pay off bonds, assessments and/or taxes, also any encumbrances of record, plus accrued interest and charges, if any, to show title as called for in these instructions. You are instructed to order the title search as soon as possible. From funds held for Seller's account pay commission, if any, as per separate instructions.

The foregoing terms, conditions and instructions, including the "Additional Escrow Instructions" attached hereto, (as if fully set forth herein), have been read and are understood by each of the undersigned, who hereby agree to, concur with, approve and accept the same in their entirety.

SAIL NORTH HOLLYWOOD ESCROW, INC. IS LICENSED UNDER THE DEPARTMENT OF CORPORATIONS OF THE STATE OF CALIFORNIA, UNDER LICENSE NUMBER: 963-0214.

BUYER'S SIGNATURE:


Gungor H. Demirezer

MAILING: c/o: Jan Neiman, Neiman Realty, 14205 Collins Street, Van Nuys, CA 91401
FORWARDING: 15916 Calle Chavel, Green Valley, CA 91390

SELLER'S SIGNATURE:

The Estate of Brian Nainby:

David R. Hagen, Chapter 7 Bankruptcy Trustee

MAILING: 6320 Canoga Avenue #1400, Woodland Hills, CA 91367
FORWARDING: 6320 Canoga Avenue #1400, Woodland Hills, CA 91367

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ADDITIONAL ESCROW INSTRUCTIONS

1. All funds received in this escrow shall be deposited with other escrow funds in a non-interest bearing general escrow account or accounts of Sail North Hollywood Escrow, Inc., with any state or national bank, and may be transferred to any other such general escrow account or accounts. The maintenance of such funds in some depository institutions may result in Sail North Hollywood Escrow, Inc. being provided with various bank services or other benefits by the depository institution. Any such services or benefits shall accrue to the Sail North Hollywood Escrow, Inc. and Sail North Hollywood Escrow, Inc. shall have no obligation to account to the parties to this escrow for the value of same. If any check submitted to escrow is dishonored upon presentment for payment, you are authorized to notify all Principals and/or their respective agents of such non-payment. All disbursements shall be made by check of Sail North Hollywood Escrow, Inc..

(a) Sail North Hollywood Escrow, Inc. shall not be responsible for any delay in closing if funds received by them are not "good funds" (certified or cashier's check drawn on a California bank), deemed available for immediate withdrawal.

(b) Should any Principal herein choose to wire funds into escrow, they acknowledge and agree that funds shall not be considered received and "good funds" until such time that Sail North Hollywood Escrow, Inc. receives notification from their receiving bank that funds are received and available for immediate withdrawal.

(c) Should any Principal herein request that Sail North Hollywood Escrow, Inc. wire funds to them upon disbursement, it is agreed that Sail North Hollywood Escrow, Inc. will not assume nor be responsible in any way for the length of time the wiring process requires from the point in time of sending to receipt of notification from receiving bank.

(d) All funds disbursed from escrow will be issued jointly if there is more than one designated payee, unless Sail North Hollywood Escrow, Inc. receives written instructions to do otherwise.

(e) SECTION 12413.1 TO THE CALIFORNIA INSURANCE CODE SETS FORTH THE FOLLOWING TIMES FOR DISBURSAL OF PROCEEDS AFTER THE FUNDS ARE DEPOSITED TO A TITLE COMPANY'S ESCROW ACCOUNT, UNDERWRITTEN TITLE COMPANY OR CONTROLLED ESCROW COMPANY'S ESCROW ACCOUNT: "Same day delivery availability" is permitted only when funds are deposited in cash or by electronic transfer, however, funds are still required to be deposited in escrow depository account before recording any transaction; "Next day availability" (disbursement on the day following deposit) is available when funds are deposited by cashier's check, certified checks, or teller's checks (insured financial institution checks drawn on another insured financial institution); "Two day availability" (two business days after deposit) is available when funds are deposited by local checks containing a local routing number of 122 or 322. Disbursement on all other checks may occur on the day when funds must be made available to depositors under the Federal Reserve's Regulation CC. Sail North Hollywood Escrow, Inc. is hereby authorized and instructed by the undersigned parties that in the event funds deposited into this escrow become subject to the above restrictions and are not available for disbursement on the date of recording, as stipulated and referred to herein above, that you are nevertheless authorized and instructed to record all documents and to make disbursement of funds upon the availability of "good funds" in compliance with the above Section 12413.1. All parties to this transaction are aware that payoffs and proceeds will not be made until such time as the terms of said section can be met. Sail North Hollywood Escrow, Inc. is hereby released of any liability and/or responsibility for damages arising from compliance with this instruction or for any additional interest that may accrue due to Sail North Hollywood Escrow, Inc.'s compliance with this instruction.

(f) All funds received by Sail North Hollywood Escrow, Inc. which constitute all or a portion of cash payment of over \$10,000 in accordance with Internal Revenue Code section 60501(g) will be reported in accordance with the requirements of the Internal Revenue Service.

2. All disbursements of funds and/or instruments of escrow will be mailed regular first class mail; however, escrow has the option, at its sole discretion, to send certified, registered, federal express, facsimile or by messenger, and charge the receiving party the actual cost of same.

3. All prorations and adjustments called for in this escrow are to be made on the basis of a 30-day month, unless otherwise instructed in writing.

(a) For proration purposes, the Buyer is deemed to own the property the full day, regardless of the time of recording the grant deed.

4. Unless instructed otherwise in writing, you are authorized to prorate or adjust the following:

(a) Real property taxes for the current fiscal year based on the most recent information furnished to you by title insurer herein. The Sail North Hollywood Escrow, Inc. is released from any responsibility or liability in the event this information received by Sail North Hollywood Escrow, Inc. is incorrect. You are not to be concerned with the amount of payment of personal property taxes unless specifically instructed by the parties otherwise.

(b) Premiums on fire insurance, if Buyer is to assume and policy is assignable. Seller warrants that any fire policy handed to escrow is current and in full force. On behalf of Principals you are authorized to execute a form assignment of insurance policy as may be called for in this escrow, order a new loss payee and forward such assignment and policy to any requesting insurance agent and lender.

(c) Interest on trust deeds of record as per the beneficiary statement received in escrow. Debit Buyer and credit Seller with impounds, if any, on assumed loans.

(d) Rents as per rental statement handed to you by Seller. You are to assume that Seller has collected all rents due prior to date of recording, unless instructed otherwise by Principals in writing. Per rental statement, debit Seller and credit Buyer with any security deposits.

(e) Homeowner association dues, as per statement received by escrow.

(f) All other prorations as specified by your instructions.

5. The phrase "close of escrow" as used in this escrow means the date on which documents are recorded, unless otherwise specified.

6. You are authorized to record any instruments delivered to you, if necessary or proper for the issuance of the policy of title insurance.

7. You are authorized to furnish copies of escrow instructions, supplements, amendments or notices of cancellation and settlement statements in this escrow to the real estate broker(s), attorney(s) and lender(s) known by you to represent the Principal(s) in this escrow.

8. The Principals herein expressly agree that at its election Sail North Hollywood Escrow, Inc. has the absolute right to file a court action in interpleader, requiring the Principals to answer and litigate their several claims and rights among themselves, and escrow is authorized to deposit with the Clerk of the Court all documents and funds held in this escrow. In the event such action is filed, the Principals jointly and severally agree to pay escrow cancellation charges, costs, expenses

Gundor H. Demircizer

David R. Hagen, Chapter 7 Bankruptcy Trustee

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SAIL N H ESCROW

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and actual attorney fees incurred. Upon filing of such action, escrow will be fully released and discharged from any further performance and all duties or obligations otherwise imposed by the terms of this escrow.

9. Seller(s) herein agree to cooperate fully, and to execute and complete necessary documents submitted to Seller(s) by Sail North Hollywood Escrow, Inc., to allow Sail North Hollywood Escrow, Inc. to comply with 1099 regulations for real estate transaction reporting under the Tax Reform Act of 1986.

10. The Principals herein authorize Sail North Hollywood Escrow, Inc. to comply with the Foreign Investment in Real Property Tax Act (FIRPTA), as Sail North Hollywood Escrow, Inc. determines it may pertain to it as Sail North Hollywood Escrow, Inc.. Sail North Hollywood Escrow, Inc., however, not have no liability obligation or responsibility with respect to the withholding of funds pursuant to Section 1445 of the Internal Revenue Code, advising the parties as to the requirements of such Section, determining whether the transferor is a foreign person under such Section, obtaining a non-foreign affidavit or other exemption from withholding under such Section, or otherwise making any inquiry concerning compliance with such Section.

11. In Accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to 3-1/3 percent of the sales price in the case of a disposition of California Real Property interest by either:

- (1) A seller who is an individual who does not qualify for an exemption and sign a written certification in the form required, OR
 - (2) A non-individual with a last known street address outside of California which does not qualify for an exemption and sign a written certification in the form required.
- (A) The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500.00).
- (B) Notwithstanding any other provisions included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:
- (1) (a) In the case of an individual:
 - (i) Total sales price does not exceed \$100,000,
 - (ii) The property is the seller's principal residence (IRC 121),
 - (iii) The sale results in a loss for California tax purposes,
 - (iv) The sales is a like kind exchange (IRC 1031),
 - (v) The sale is, in fact, an involuntary conversion (IRC section 1033), or in certain cases, the sale is an exempt foreclosure and
 - (b) The individual seller certifies that the seller meets a withholding exemption on a certification form authorized by the Franchise Tax Board and delivers same for Sail North Hollywood Escrow, Inc. files.
 - (2) (a) In the case of a non-individual:
 - (i) The non-individual is a corporation, partnership or LLC with a permanent place of business in California,
 - (ii) The non individual is a tax-exempt entity, insurance company, IRA or qualified pension plan
 - (iii) The non-individual is an irrevocable trust with a California trustee,
 - (iv) The non-individual is an estate with a California decedent, or
 - (v) The non-individual or bank is acting as fiduciary for a trust and
 - (b) The non-individual certifies that the non-individual meets a withholding exemption on a certification form authorized by the Franchise Tax Board and delivers same for Sail North Hollywood Escrow, Inc. files.
 - (C) The Seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.
 - (D) The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced withholding and waiver from withholding on a case-by-case basis, but to non-individuals only.
 - (E) The withholding rate is three and one-third percent of the selling price. The seller may request a waiver by contacting:

FRANCHISE TAX BOARD
WITHHOLDING AT SOURCE UNIT
P.O. BOX 651
SACRAMENTO, CA 95812-0651
(916) 369-4900

12. In accordance with Sec. 480.3 of the Revenue and Taxation Code, Buyer will hand Sail North Hollywood Escrow, Inc. prior to the close of escrow a completed Preliminary Change of Ownership Report, which you are instructed to forward with the conveyance document to the County Recorder. In the absence of such form, or if rejected for incompleteness by the County Recorder, escrow will close and Sail North Hollywood Escrow, Inc. will pay from Buyer's funds any additional fee required by the County Recorder. In the event that Buyer's lender will not allow this charge to accrue to the Buyer, Sail North Hollywood Escrow, Inc. is authorized to charge the said fee to the Seller.

13. Sail North Hollywood Escrow, Inc. is not to be concerned with any question of usury in any loan or encumbrance involved in the processing of this escrow and you are hereby released from any responsibility or liability therefore.

14. It is acknowledged and understood by the Principals herein that Sail North Hollywood Escrow, Inc. is not to be concerned with or liable for items designated in the escrow instructions as "matters of memo" or "memoranda", nor any other agreement or contract between the Principals herein not given to the Sail North Hollywood Escrow, Inc. in the form of an "escrow instruction".

(a) Should the Purchase Contract between the Principals be delivered to escrow, Sail North Hollywood Escrow, Inc. is not to be concerned with nor responsible for, and Sail North Hollywood Escrow, Inc. is expressly deemed to not have knowledge, actual, constructive, or otherwise, of the contents of same. You are to retain this document in your possession strictly as an accommodation to the Principals.

Gungor H. Demirezer

David R. Hagen, Chapter 7 Bankruptcy Trustee

15. These escrow instructions may be executed in counterparts, each of which shall be deemed an original regardless of date of execution or delivery, and together shall constitute one and the same document. In the event that any party delivers a facsimile transmitted instruction, Sail North Hollywood Escrow, Inc. is instructed to rely and act upon such instruction in the same manner as if the original signed instruction or amendment were in the possession of Sail North Hollywood Escrow, Inc. and the party delivering said instruction agrees to forward a signed "hard copy" of said instruction within 48 hours of facsimile transaction. Sail North Hollywood Escrow, Inc. shall have no liability to any party for relying upon facsimile instructions, whether or not erroneously transmitted to Sail North Hollywood Escrow, Inc..

16. You are authorized to draft escrow instructions, amendments, supplements or cancellation instructions per the request of the Principals, their designated agents or lenders; however, you are not to act on any notice or demand until written instructions reflecting same are executed and delivered to you by all Principals concerned.

17. You are authorized to open a title order immediately. If the Principals have not expressly specified a title insurance company, you are to initiate the title order at any reliable title company of your choice in the county in which the property is located.

(a) You are not required to deliver any title report issued in connection with this escrow to any agent or Principal, unless expressly instructed in writing to do so; however, you may do so at your discretion without incurring any liability. You are expressly authorized to submit a copy of the title report to any proposed lender, upon the oral request of such proposed lender.

(b) You are authorized to use the title company as a "sub-escrow" agent, and the Principals agree to pay the fee for such service.

(c) Each Principal herein agrees to deliver to you a fully completed and executed "Statement of Information", to be delivered to the title company, per their requirement.

18. Sail North Hollywood Escrow, Inc. is expressly relieved of any liability or responsibility for the correctness of beneficiary demands or beneficiary statements delivered into escrow by encumbrance holders and the Principals agree to be solely responsible for any discrepancies in same.

19. Sail North Hollywood Escrow, Inc. is not liable or responsible for any loss that may occur by reason of forgeries or false representations made by or involving the parties and Principals to this escrow.

20. Sail North Hollywood Escrow, Inc. will make no physical inspection of the subject real property or personal property, and is not to be concerned nor liable for the condition of same.

21. No search of chattel will be required of you for the sale or transfer of personal property through this escrow, unless you are expressly instructed to do so in writing.

(a) No examination of, or insurance as to the amount of, payment of personal property taxes is required unless specifically requested in writing.

22. You are not to be concerned with the effect of any zoning ordinances, land division regulations or building restrictions which may pertain to or affect the land or improvements that are the subject of this escrow.

23. You are not to be concerned with the giving of any disclosures, warranties or warnings required by Federal or State law, specifically, but not exclusively, RESPA, Regulation Z or Civil Code 1102 (Seller's Disclosure).

24. You are not to be concerned with the terms or conditions of the Buyer's loan or the content of the loan documents, other than to order loan documents into escrow, hand to Buyer for execution and return executed documents to the lender. It is acknowledged by all Principals that escrow is not involved in loan processing and will not advise or give any opinion as to loans.

25. You are authorized to destroy or otherwise dispose of any and all documents, papers, instructions, correspondence and other material pertaining to this escrow at the expiration of five years from the date of close or cancellation of this escrow, and without further notice to the Principals and parties to this transaction.

26. After the time limit date of this escrow, any Principal requesting you to cancel this escrow shall file notice of demand to cancel in your office in writing. You shall within five working days thereafter mail by certified mail one copy of such notice to each of the other Principals at the addresses given you. You are authorized to issue cancellation instructions and cancel this escrow only upon your receipt of executed cancellation instructions from all Principals or pursuant to paragraph 27 below. You are authorized to hold all money and documents in this escrow and take no further action until otherwise directed, either by the Principals' mutual written instructions or by final order of a court of competent jurisdiction. If this is a sale escrow, notwithstanding the foregoing, you may return lender's papers and/or funds upon lender's demand.

27. If there is no written activity by a Principal to this escrow within any six-month period after the time limit date and you have not received any notice of any dispute between the parties or any conflicting instruction, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the respective parties entitled thereto, less a reasonable cancellation fee and costs and charges incurred herein.

28. Upon receipt of conflicting instructions from the Principals or their agents, oral or written, other than cancellation instructions described in paragraph 26 above, you are no longer obligated to take any further action in connection with this escrow until further concurring instructions are received from the Principals to this escrow.


Gungor H. Demirezer

David R. Hagen, Chapter 7 Bankruptcy Trustee

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29. In the event of cancellation of this escrow, the fees and charges due Sail North Hollywood Escrow, Inc. including expenditures incurred or authorized, shall be borne equally by the Principals hereto unless otherwise specifically agreed to or determined by a court of competent jurisdiction.

(a) The Principals herein expressly agree to pay to Sail North Hollywood Escrow, Inc. a reasonable cancellation fee, to be borne equally by the Principals, and only upon payment to escrow of said fee are you obligated to return documents and monies to the respective parties.

30. If this escrow is not in a condition to close by the time limit date stated in these instructions, you are instructed to proceed to close this escrow when the Principals have complied with the escrow instructions, unless demand for cancellation is made pursuant to paragraph 26 above and the requirements of paragraph 26 for cancellation are satisfied prior to closing, in which case you should proceed per 26 above.

31. The Principals agree to hand you, in a timely manner, any funds and instruments required from each to complete this escrow.

32. In these escrow instructions, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

33. Each Principal authorizes you to deduct from his/her net proceeds or net refund, any amount he/she may owe you in any other matter.

34. You are authorized to charge the Principal benefited an additional fee for services rendered that Sail North Hollywood Escrow, Inc. considers extraordinary or unusual, or not within the range of customary escrow processing.

35. You are to charge the accounts of the Principals for costs and charges incurred in this escrow as is "customary" in Los Angeles County, unless expressly instructed to do otherwise in writing.

36. Any application for home protection insurance will be handed to escrow prior to closing. If such insurance is not a condition to the close of escrow, you are authorized to close escrow without receipt of same.

37. Unless otherwise instructed in writing, you are authorized to charge the account of Seller, and disburse from Seller's proceeds at closing, broker's commissions as are set forth in these instructions and/or separate commission instructions forwarded to you.

38. You may, at your sole discretion, upon ten days written notice to all Principals, resign from this escrow and be entitled to all costs and charges accrued and or incurred by you. Less costs and charges, the balance of any funds, property and or instruments shall be returned to the parties who deposited same or forwarded to an escrow agent as designated in writing by all Principals herein.

39. In the event one or more of the above "Additional Escrow Instructions" is held to be invalid in judicial proceedings, the remaining will continue to be operative.

40. Excepting only in the event of Sail North Hollywood Escrow, Inc. breach of its express obligations to Principals hereunder, Principals jointly agree to indemnify, defend and hold Sail North Hollywood Escrow, Inc., its officers, directors, employees, agents, harmless from and against any and all claims, losses, damages, costs, liens, judgments, penalties, permits, attorneys and consultants fees, expenses and liabilities arising out of, involving, or in any way dealing with the Principals' transaction. The foregoing shall include, but not be limited to, the defense of any claim or action or proceeding instituted by a third party to recover proceeds held by Sail North Hollywood Escrow, Inc. or to enjoin Sail North Hollywood Escrow, Inc. from discharging its obligations as escrow holder hereunder, or to recover damages for acts or omissions of Sail North Hollywood Escrow, Inc. made in accordance with these instructions. In addition, Principals hereby waive, release and relinquish Sail North Hollywood Escrow, Inc. from any and all liability whatsoever incurred in connection with any act or failure to act in furtherance of Principals' transaction, if such act or omission was taken in accordance with these instructions.

41. Unless otherwise expressly set forth in these instructions, as between the Principals, these escrow instructions do not supercede the Purchase Contract, but you shall not be concerned with any inconsistencies, and you shall comply solely with your instructions.

42. Any assignment of funds in escrow shall be in writing signed by the Principal/assignor, and shall be irrevocable and unchangeable without the written consent of the assignee.

43. SHOULD THE PRINCIPALS TO THIS ESCROW HAVE ANY QUESTIONS CONCERNING THE SIGNING OF DOCUMENTS, THE PREPARATION AND LEGALITY OF THESE INSTRUCTIONS OR THE TAX CONSEQUENCES, THEY ARE ADVISED TO CONSULT THEIR ATTORNEY OR FINANCIAL ADVISOR.

44. By signing these escrow instructions, the parties herein acknowledge that they have received, read and have full understanding of the escrow instructions, in its entirety.


Gungor H. Demirezer

David R. Hagen, Chapter 7 Bankruptcy Trustee

ADDENDUM

Additional Terms to Sale Escrow Instructions

These terms supplement amend and supercede the terms of the foregoing Sail North Hollywood Escrow Instructions Between David R. Hagen, as Chapter 7 Trustee, for Brian Nainby ("Seller") and GUNSON H. DEMITZEN ("Buyer") as follows:

1. The Seller of the Real Property located at 15916 Calle Chavel, Green Valley, California (hereinafter the "Real Property") is David R. Hagen, as the Chapter 7 Bankruptcy Trustee for Brian Nainby Case # 515-14344, and not David R. Hagen as an individual.
2. To the degree that the Sale Escrow Instructions conflict with this Addendum, this Addendum controls and the Sale Escrow Instructions are not binding and are superceded.
3. To the degree that the Sale Escrow Instructions contain disclosure or warranty/provisions, the undersigned is the Chapter 7 Bankruptcy Trustee and there will be no warranties or disclosures made concerning the Real Property.
4. Because the sale of the Real Property is a bankruptcy sale, any such sale shall be "as-is" and without any warranties (whatsoever), and any transfer shall be by Bankruptcy Trustee's Deed or Quitclaim Deed at the seller's option.
5. The Buyer and Escrow are aware that any and all sales of the Real Property are subject to Bankruptcy Court approval, are subject to overbid at the time of the court hearing for approval of the sale, and that any Bankruptcy Court Order Approving sale of the Real Property is subject to a ten (10) day waiting period after entry for escrow of close.
6. Any and all disputes in connection with the Sale Escrow Instructions and/or this Addendum are subject to the exclusive jurisdiction and venue of the United States Bankruptcy Court, Case No. 515-14344, in Woodland Hills, California.
7. No fees shall be paid and no costs shall be reimbursed unless and until ordered by the Bankruptcy Court under II U.S.C. Section 330 and /or 331. Any and all such fees and costs shall be the sole and exclusive liability of and claim against the Bankruptcy Estate, and the Trustee, David R. Hagen, shall not have any personal liability on any account.
8. To the extent that liens, claims or co-owners, or other encumbrances against the property, if any, make the sale infeasible or unprofitable to the Bankruptcy Estate, the Seller may at his option terminate this Agreement and cancel any proposed sale under this Agreement. In such case, the Buyer and Escrow agree to fully and completely release Seller/Trustee from any and all obligations under this Agreement. In addition, any escrow shall be cancelled.

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Page 2



CALIFORNIA
ASSOCIATION
OF REALTORS®

**CALIFORNIA
RESIDENTIAL PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**
For Use With Single Family Residential Property — Attached or Detached
(C.A.R. Form RPA-CA, Revised 1/06)

Date February 5, 2006 at North Hollywood, California.

1. OFFER:

A. THIS IS AN OFFER FROM GÜNGÖR DEMİKEZER ("Buyer").

B. THE REAL PROPERTY TO BE ACQUIRED is described as 15916 Calle Cheval, Green Valley CA 91390 ("Property").
Assessor's Parcel No. 3327-018-022 & 2237-018-024, situated in
Green Valley, County of Los Angeles, California.

C. THE PURCHASE PRICE offered is Two Hundred Sixty-Eight Thousand Dollars \$ 268,000.00
D. CLOSE OF ESCROW shall occur on 30 days After Cont Confirmation (date) (or ☐ Days After Acceptance).

2. FINANCE TERMS: Obtaining the loans below is a contingency of this Agreement unless: (i) either 2K or 2L is checked below; or (ii) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans. Obtaining deposit, down payment and closing costs is not a contingency. Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of \$ 8,040.00
to the agent submitting the offer (or to ☐), by personal check
(or ☐), made payable to Sail Escrow,
which shall be held uncashed until Acceptance and then deposited within 3 business days after Acceptance
(or ☐), with
Escrow Holder, (or ☐ into Broker's trust account).

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ _____
within _____ Days After Acceptance, or ☐ _____.

C. FIRST LOAN IN THE AMOUNT OF \$ _____

(1) NEW First Deed of Trust in favor of lender, encumbering the Property, securing a note payable at maximum interest of _____ % fixed rate, or _____ % initial adjustable rate with a maximum interest rate of _____ %, balance due in _____ years, amortized over _____ years. Buyer shall pay loan fees/points not to exceed _____. (These terms apply whether the designated loan is conventional, FHA or VA.)

(2) ☐ FHA ☐ VA: (The following terms only apply to the FHA or VA loan that is checked.)
Seller shall pay _____ % discount points. Seller shall pay other fees not allowed to be paid by Buyer,
☐ not to exceed \$ _____. Seller shall pay the cost of lender required Repairs (including those for wood destroying pest) not otherwise provided for in this Agreement, ☐ not to exceed \$ _____. (Actual loan amount may increase if mortgage insurance premiums, funding fees or closing costs are financed.)

D. ADDITIONAL FINANCING TERMS: ☐ Seller financing, (C.A.R. Form SFA); ☐ secondary financing, \$ _____
(C.A.R. Form PAA, paragraph 4A); ☐ assumed financing (C.A.R. Form PAA, paragraph 4B)

E. BALANCE OF PURCHASE PRICE (not including costs of obtaining loans and other closing costs) in the amount of \$ 259,960.00
to be deposited with Escrow Holder within sufficient time to close escrow.

F. PURCHASE PRICE (TOTAL): \$ 268,000.00

G. LOAN APPLICATIONS: Within 7 (or ☐) Days After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for the NEW loan specified in 2C above.

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 2G) shall, within 7 (or ☐) Days After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.

I. LOAN CONTINGENCY REMOVAL: (i) Within 17 (or ☐) Days After Acceptance, Buyer shall, as specified in paragraph 14, remove the loan contingency or cancel this Agreement; OR (ii) (if checked) ☐ the loan contingency shall remain in effect until the designated loans are funded.

J. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked, ☐ is NOT) contingent upon the Property appraising at no less than the specified purchase price. If there is a loan contingency, at the time the loan contingency is removed (or, if checked, ☐ within 17 (or _____) Days After Acceptance), Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency or cancel this Agreement. If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency within 17 (or _____) Days After Acceptance.

K. ☒ NO LOAN CONTINGENCY (if checked): Obtaining any loan in paragraphs 2C, 2D or elsewhere in this Agreement is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

L. ☒ ALL CASH OFFER (if checked): No loan is needed to purchase the Property. Buyer shall, within 7 (or ☐) Days After Acceptance, provide Seller written verification of sufficient funds to close this transaction.

3. CLOSING AND OCCUPANCY:

A. Buyer intends (or ☐ does not intend) to occupy the Property as Buyer's primary residence.

B. Seller-occupied or vacant property: Occupancy shall be delivered to Buyer at 5:00 ☐ AM ☒ PM, ☐ on the date of Close Of Escrow;
☐ on _____; or ☐ no later than _____ Days After Close Of Escrow. (C.A.R. Form PAA, paragraph 2.) If transfer of title and occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement; and (ii) consult with their insurance and legal advisors.

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RPA-CA REVISED 1/06 (PAGE 1 OF 8)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 8)

Buyer's Initials (GD)
Seller's Initials (NA)

Reviewed by _____ Date _____



Agent: Jan Neiman Phone: (818) 786-2686 Fax: (818) 785-5925 Prepared using WINForms® software
Broker: Neiman Realty 14205 Collins Street, Van Nuys CA 91401

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15916 Calle Cheval

Property Address: Green Valley, CA 91390Date: February 5, 2006

- C. Tenant-occupied property: (I) Property shall be vacant at least 5 (or ☐ _____) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.
- OR (II) (if checked) ☐ Tenant to remain in possession. The attached addendum is incorporated into this Agreement (C.A.R. Form PAA, paragraph 3.).
- OR (III) (if checked) ☐ This Agreement is contingent upon Buyer and Seller entering into a written agreement regarding occupancy of the Property within the time specified in paragraph 14B(1). If no written agreement is reached within this time, either Buyer or Seller may cancel this Agreement in writing.
- D. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale and shall provide any available Copies of such warranties. Brokers cannot and will not determine the assignability of any warranties.
- E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.
4. ALLOCATION OF COSTS (If checked): Unless otherwise specified here, this paragraph only determines who is to pay for the report, inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or identified by any such report, inspection, test or service shall be by the method specified in paragraph 14B(2).
- A. WOOD DESTROYING PEST INSPECTION:
- (1) ☐ Buyer ☐ Seller shall pay for an inspection and report for wood destroying pests and organisms ("Report") which shall be prepared by _____, a registered structural pest control company. The Report shall cover the accessible areas of the main building and attached structures and, if checked: ☐ detached garages and carports, ☐ detached decks, ☐ the following other structures or areas _____ . The Report shall not include roof coverings. If Property is a condominium or located in a common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred and shall not include common areas, unless otherwise agreed. Water tests of shower pans on upper level units may not be performed without consent of the owners of property below the shower.
- OR (2) ☐ (If checked) The attached addendum (C.A.R. Form WPA) regarding wood destroying pest inspection and allocation of cost is incorporated into this Agreement.
- B. OTHER INSPECTIONS AND REPORTS:
- (1) ☐ Buyer ☐ Seller shall pay to have septic or private sewage disposal systems inspected _____
- (2) ☐ Buyer ☐ Seller shall pay to have domestic wells tested for water potability and productivity _____
- (3) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report prepared by _____
- (4) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____
- (5) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____
- C. GOVERNMENT REQUIREMENTS AND RETROFIT:
- (1) ☒ Buyer ☐ Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance in accordance with state and local Law, unless exempt.
- (2) ☒ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. _____
- D. ESCROW AND TITLE:
- (1) ☒ Buyer ☒ Seller shall pay escrow fee each pays own
Escrow Holder shall be SAIL ESCROW
- (2) ☐ Buyer ☐ Seller shall pay for owner's title insurance policy specified in paragraph 12E _____
Owner's title policy to be issued by Commonwealth Title
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)
- E. OTHER COSTS:
- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or transfer fee _____
- (2) ☐ Buyer ☒ Seller shall pay City transfer tax or transfer fee _____
- (3) ☐ Buyer ☐ Seller shall pay HOA transfer fee _____
- (4) ☐ Buyer ☐ Seller shall pay HOA document preparation fees _____
- (5) ☐ Buyer ☐ Seller shall pay the cost, not to exceed \$ _____, of a one-year home warranty plan, issued by _____
with the following optional coverage: _____
- (6) ☐ Buyer ☐ Seller shall pay for _____
- (7) ☐ Buyer ☐ Seller shall pay for _____
5. STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:
- A. (1) Seller shall, within the time specified in paragraph 14A, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures and pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the California Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice of actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, an industrial use and military ordnance location disclosure (C.A.R. Form SSD).
- (2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.
- (3) In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.

Buyer's Initials (SA) (_____)
Seller's Initials (SA) (_____)

Reviewed by _____ Date _____



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15916 Calle Cheval

Property Address: Green Valley, CA 91390Date: February 5, 2006

(4) If any disclosure or notice specified in 5A(1), or subsequent or amended disclosure or notice is delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After delivery in person, or 5 Days After delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)

(5) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.

B. NATURAL AND ENVIRONMENTAL HAZARDS: Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

DATA BASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

6. CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:

A. SELLER HAS: 7 (or ☐) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned unit development or other common interest subdivision (C.A.R. Form SSD).

B. If the Property is a condominium or is located in a planned unit development or other common interest subdivision, Seller has 3 (or ☐) Days After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall ~~itemize~~ and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3).

7. CONDITIONS AFFECTING PROPERTY:

A. Unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) ~~all debris and personal property not included in the sale shall be removed by Close Of Escrow.~~

SELLER SHALL, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, AND MAKE OTHER DISCLOSURES REQUIRED BY LAW (C.A.R. Form SSD).

C. NOTE TO BUYER: You are strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.

D. NOTE TO SELLER: Buyer has the right to inspect the Property and, as specified in paragraph 14B, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that you make Repairs or take other action.

8. ITEMS INCLUDED AND EXCLUDED:

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 8B or C.

B. ITEMS INCLUDED IN SALE:

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) Existing electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms; and
- (3) The following items:

- (4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
- (5) All items included shall be transferred free of liens and without Seller warranty.

C. ITEMS EXCLUDED FROM SALE:

9. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Buyer shall complete Buyer Investigations and, as specified in paragraph 14B, remove the contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete Copies of all Buyer Investigation reports obtained by Buyer. Seller shall make the Property available for all Buyer Investigations. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

Buyer's Initials () ()
Seller's Initials () ()

Reviewed by Date



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15916 Calle Cheval

Property Address: Green Valley, CA 91390Date: February 5, 2006

10. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition.
11. **BUYER INDEMNITY AND SELLER PROTECTION FOR ENTRY UPON PROPERTY:** Buyer shall: (i) keep the Property free and clear of liens; (ii) Repair all damage arising from Buyer investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
12. **TITLE AND VESTING:**
- A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary (title) report, which is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. **THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.**
- E. Buyer shall receive a CLTA/ALTA Homeowner's Policy of Title Insurance. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.
13. **SALE OF BUYER'S PROPERTY:**
- A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.
- OR B. ☐ (If checked): The attached addendum (C.A.R. Form COP) regarding the contingency for the sale of property owned by Buyer is incorporated into this Agreement.
14. **TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph must be in writing (C.A.R. Form CR).
- A. **SELLER HAS:** 7 (or ☐ _____) Days After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 4, 5A and B, 6A, 7B and 12.
- B. (1) **BUYER HAS:** 17 (or ☐ 10) Days After Acceptance, unless otherwise agreed in writing, to:
- (i) complete all Buyer investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property (including lead-based paint and lead-based paint hazards as well as other information specified in paragraph 5 and insurability of Buyer and the Property); and
- (ii) return to Seller Signed Copies of Statutory and Lead Disclosures delivered by Seller in accordance with paragraph 5A.
- (2) Within the time specified in 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
- (3) By the end of the time specified in 14B(1) (or 21 for loan contingency or 2J for appraisal contingency), Buyer shall, in writing, remove the applicable contingency (C.A.R. Form CR) or cancel this Agreement. However, if (i) government-mandated inspections/ reports required as a condition of closing; or (ii) Common Interest Disclosures pursuant to paragraph 6B are not made within the time specified in 14A, then Buyer has 5 (or ☐ _____) Days After receipt of any such items, or the time specified in 14B(1), whichever is later, to remove the applicable contingency or cancel this Agreement in writing.
- C. **CONTINUATION OF CONTINGENCY OR CONTRACTUAL OBLIGATION; SELLER RIGHT TO CANCEL:**
- (1) **Seller right to Cancel; Buyer Contingencies:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit if, by the time specified in this Agreement, Buyer does not remove in writing the applicable contingency or cancel this Agreement. Once all contingencies have been removed, failure of either Buyer or Seller to close escrow on time may be a breach of this Agreement.
- (2) **Continuation of Contingency:** Even after the expiration of the time specified in 14B, Buyer retains the right to make requests to Seller, remove in writing the applicable contingency or cancel this Agreement until Seller cancels pursuant to 14C(1). Once Seller receives Buyer's written removal of all contingencies, Seller may not cancel this Agreement pursuant to 14C(1).
- (3) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit for any of the following reasons: (i) if Buyer fails to deposit funds as required by 2A or 2B; (ii) if the funds deposited pursuant to 2A or 2B are not good when deposited; (iii) if Buyer fails to provide a letter as required by 2G; (iv) if Buyer fails to provide verification as required by 2H or 2L; (v) if Seller reasonably disapproves of the verification provided by 2H or 2L; (vi) if Buyer fails to return Statutory and Lead Disclosures as required by paragraph 5A(2); or (vii) if Buyer fails to sign or initial a separate liquidated damage form for an increased deposit as required by paragraph 16. Seller is not required to give Buyer a Notice to Perform regarding Close of Escrow.
- (4) **Notice To Buyer To Perform:** The Notice to Buyer to Perform (C.A.R. Form NBP) shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 24 (or ☐ _____) hours (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A Notice to Buyer to Perform may not be given any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet a 14C(3) obligation.

Buyer's Initials () ()
 Seller's Initials () ()
 Reviewed by Date



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15916 Calle Cheval

Property Address: Green Valley, CA 91390

Date: February 5, 2006

- D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.
- E. EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A party may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).
- 15. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection of the Property within 5 (or 1) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 7A; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement.
- 16. LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.
- BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT. (C.A.R. FORM RID)**

Buyer's Initials _____ / _____

Seller's Initials _____ / _____

17. DISPUTE RESOLUTION:

A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Paragraphs 17B(2) and (3) below apply to mediation whether or not the Arbitration provision is initiated. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.

B. ARBITRATION OF DISPUTES: (1) Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 17B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.

(2) EXCLUSIONS FROM MEDIATION AND ARBITRATION: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in California Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.

(3) BROKERS: Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 17A and B, provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials _____ / _____

Seller's Initials _____ / _____

Buyer's Initials (See 7) _____Seller's Initials (See 7) _____

Reviewed by _____

Date _____



15916 Calle Cheval

Property Address: Green Valley, CA 91390Date: February 5, 2006

18. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
19. **WITHHOLDING TAXES:** Seller and Buyer agree to execute any instrument, affidavit, statement or instruction reasonably necessary to comply with federal (FIRPTA) and California withholding Law, if required (C.A.R. Forms AS and AB).
20. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
21. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
22. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 17A.
23. **SELECTION OF SERVICE PROVIDERS:** If Brokers refer Buyer or Seller to persons, vendors, or service or product providers ("Providers"), Brokers do not guarantee the performance of any Providers. Buyer and Seller may select ANY Providers of their own choosing.
24. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
25. **OTHER TERMS AND CONDITIONS,** including attached supplements:
- A. ☒ Buyer's Inspection Advisory (C.A.R. Form BIA)
- B. ☐ Purchase Agreement Addendum (C.A.R. Form PAA paragraph numbers: _____)
- C. ☒ Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
- D. _____
26. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
- B. "Agreement" means the terms and conditions of this accepted California Residential Purchase Agreement and any accepted counter offers and addenda.
- C. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
- D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date.
- E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- F. "Days" means calendar days, unless otherwise required by Law.
- G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
- H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
- I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
- J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- K. "Notice to Buyer to Perform" means a document (C.A.R. Form NBP), which shall be in writing and Signed by Seller and shall give Buyer at least 24 hours (or as otherwise specified in paragraph 14C(4)) to remove a contingency or perform as applicable.
- L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- N. Singular and Plural terms each include the other, when appropriate.

Buyer's Initials (AS) (_____)
Seller's Initials (SA) (_____)

Reviewed by _____ Date _____



15916 Calle Cheval

Property Address: Green Valley, CA 91390Date: February 5, 2006**27. AGENCY:**

- A. **DISCLOSURE:** Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."
- B. **POTENTIALLY COMPETING BUYERS AND SELLERS:** Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-broker agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.
- C. **CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
 Listing Agent _____ (Print Firm Name) is the agent
 of (check one): ☐ the Seller exclusively; or ☐ both the Buyer and Seller.
 Selling Agent Neiman Realty _____ (Print Firm Name) (If not same
 as Listing Agent) is the agent of (check one): ☐ the Buyer exclusively; or ☐ the Seller exclusively; or ☒ both the Buyer and
 Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

28. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 12, 13B, 14E, 18, 19, 24, 25B and 25D, 26, 28, 29, 32A, 33 and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 29 or 32A, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
- B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or ☐ _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraphs 29, 32A and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraphs 29 and 32A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

29. BROKER COMPENSATION FROM BUYER: If applicable, upon Close Of Escrow, Buyer agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.

30. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the Property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

Buyer's Initials (*JS*) (_____)
 Seller's Initials (*JA*) (_____)

Reviewed by _____ Date _____





Commonwealth Land Title Company
 655 N. Central Avenue
 Suite 2200
 Glendale, CA 91203
 Phone: (818) 552-7000

Sail North Hollywood Escrow
 12345 Ventura Blvd. #J
 Studio City, CA 91604

Our File No: 05057885 - 06
 Senior Title Officer: Ralph J. Mason, Jr.
 (rmason@landam.com)
 Phone: (818) 552-7000 x 6405
 Fax: (818) 551-1168

Attn: John

Your Reference No: 20065819

Property Address: 15916 Calle Cheval, Green Valley, California

PRELIMINARY REPORT

Dated as of February 9, 2006 at 7:30 a.m.

In response to the above referenced application for a policy of title insurance, Commonwealth Land Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusion from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit B attached. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit B. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

SCHEDULE A

The form of policy of title insurance contemplated by this report is:

CLTA Homeowner's Policy of Title Insurance

ALTA Loan 1992

The estate or interest in the land hereinafter described or referred to covered by this report is:

A FEE

Title to said estate or interest at the date hereof is vested in:

Brian Kevin Nainby, an unmarried man and Laura Lea Brown, an unmarried woman as joint tenants, subject to proceedings pending in the Bankruptcy Court where a petition commencing the case was filed on June 24, 2005, by or on behalf of Brian Kevin Nainby, an unmarried man and Laura Lea Brown, an unmarried woman as joint tenants, as Debtor, in the Central U.S. District Court as Case No. SV014344

The land referred to herein is situated in the County of Los Angeles, State of California, and is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Lots 41, 42, 43 and 44, in Block 2 of Tract No.8830, in the County of Los Angeles, State of California, as per map recorded in Book 121 Pages 80 to 82 inclusive of maps, in the office of the county recorder of said County.

Assessor's Parcel Number: **3227-018-022**

SCHEDULE B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

- A. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, to be levied for the fiscal year 2006 - 2007 which are a lien not yet payable.
- B. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, for the fiscal year 2005-2006
- | | | |
|---------------------------|--------------|--|
| 1st Installment: | \$783.55 | Paid |
| 2nd Installment: | \$183.55 | This amount is valid until April 10, after which penalties apply |
| Penalty (including cost): | \$88.36 | Due with installment amount if paid after April 10 |
| Homeowners Exemption: | \$7,000.00 | |
| Code Area: | 04497 | |
| Assessment No.: | 3227-018-022 | |
- C. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, for the fiscal year 2005-2006
- | | | |
|---------------------------|--------------|--|
| 1st Installment: | \$217.71 | Paid |
| 2nd Installment: | \$217.70 | This amount is valid until April 10, after which penalties apply |
| Penalty (including cost): | \$31.77 | Due with installment amount if paid after April 10 |
| Homeowners Exemption: | \$ Not Shown | |
| Code Area: | 04497 | |
| Assessment No.: | 3227-018-024 | |
- D. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California.
1. An easement for the purpose shown below and rights incidental thereto as set forth in a document
- | | |
|-------------|---|
| Granted to: | Prudential Realty Corporation |
| Purpose: | utilities |
| Recorded: | March 17, 1944 in Book 20761 Page 144 of Official Records |
| Affects: | portion of Lots 42 and 43 |
- The exact location and/or extent of said easement is not disclosed in the public records.
2. Covenants, conditions and restrictions as set forth in the document referred to in the numbered item last above shown.

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

3. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: Rancho Green Valley, Inc
Purpose: utilities
Recorded: October 20, 1950 as Instrument No. 3184 of Official Records
Affects: lot 44

4. Covenants, conditions and restrictions as set forth in the document referred to in the numbered item last above shown.

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

5. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Purpose: Public utility
Recorded: September 22, 1950 in Book 34362 Page 445 of Official Records
Affects: lot 41

6. Covenants, conditions and restrictions as set forth in the document referred to in the numbered item last above shown.

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

7. A covenant and agreement wherein the owners of said land covenant and agree that said land shall be held as one parcel and no portion shall be sold separately, which covenant is expressed to run with the land and be binding upon future owners
Executed by: Ralph Pilolli and Lynda T. Collenette
In favor of: County of Los Angeles
Recorded: May 10, 1989 as Instrument/File No. 89-750862 , Official Records

8. A covenant and agreement wherein the owners of said land covenant and agree that said land shall be held as one parcel and no portion shall be sold separately, which covenant is expressed to run with the land and be binding upon future owners
Executed by: Ralph Pilolli and Lynda T. Collenette
In favor of: County of Los Angeles
Recorded: May 10, 1989 as Instrument/File No. 89-750863, Official Records

9. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount: \$141,000.00
Dated: December 1, 2003
Trustor: Brian Kevin Nainby, an unmarried man and Laura Lea Brown, an unmarried woman as joint tenants
Trustee: Gateway Title Company
Beneficiary: TLP Funding
Loan No.: ALC15793
Recorded: December 11, 2003 as Instrument No. 03-3743450 of Official Records

An assignment of the beneficial interest under said deed of trust which names
As Assignee: Option One Mortgage Corporation
Loan No: ALC15793
Recorded: August 14, 2004 as Instrument No. 04-2106441 of Official Records

10. A court order for installment payments of spousal and/or child support, to be made by:

Debtor: Brain Nainby
Court: Superior Court
Case No.: BL007676
Recorded: August 27, 2001 as Instrument No. 01-1588661 of Official Records
Contact: Child Support Services Department
5701 S. Eastern Avenue #201
Commerce, California 90040-224
800-615-8858

END OF SCHEDULE B EXCEPTIONS

**PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH
FOLLOWS FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION**

REQUIREMENTS SECTION:

REQ NO.1: The Company will require a statement of information from the parties named below in order to complete this report, based on the effect of documents, proceedings, liens, decrees, or other matters which do not specifically describe said land, but which, if any do exist, may affect the title or impose liens or encumbrances thereon.

Parties

All Parties

REQ NO.2: The Company will require an Acknowledgement of Satisfaction of Matured Installments in recordable form, as it applies to Item No. 10 of Schedule B. The Acknowledgement must conform to the provisions of Section 724.250 Code of Civil Procedure. It should be executed by the named judgment creditor or if the judgment provides that payments be made to a district attorney or other officer of the court, then the officer should execute the Acknowledgement of Satisfaction of Matured Installments.

INFORMATIONAL NOTES SECTION

NOTE NO. 1: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.

NOTE NO. 2: California insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.

WIRING INSTRUCTIONS FOR THIS OFFICE ARE:

Union Bank of California
1980 Saturn Street
Monterey Park, CA 91755
Phone: (800) 218-6466
ABA #122-000-496
Credit To: Commonwealth Land Title Company - Los Angeles County
Account #9100815580

RE: 05057885 305 - R05

PLEASE INDICATE COMMONWEALTH LAND TITLE COMPANY ESCROW OR TITLE ORDER NUMBER

NOTE NO. 3: The charges which the company will make for next day messenger services (i.e. Federal Express, UPS, DHL, Airborne, Express mail, etc.) Are \$15.00 per letter, standard overnight service, and \$25.00 for larger size packages and/or priority delivery services. Such charges include the cost of such messenger service and the company's expenses for arranging such messenger service and its overhead and profit. Special messenger services will be billed at the cost of such services. There will be no additional charge for pick-up or delivery of packages via the company's regularly scheduled messenger runs.

NOTE NO. 4: The charge for a policy of title insurance, when issued through this title order, will be based on the basic (not short-term) title insurance rate.

NOTE NO. 5: There are no conveyances affecting said land recorded within 24 months of the date of this report.

NOTE NO. 6: None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an ALTA Loan Policy, when issued.

NOTE NO. 7: The following information will be included in the CLTA form 116 endorsement to be issued pursuant to this order:

there is located on

said land: A single family residence

known as: 15916 Calle Cheval, (Santa Clarita Area), in the County of Los Angeles, State of California

Typist: ray

Date Typed: February 13, 2006

PROOF OF SERVICE

1013A(3) C.C.P.

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 6320 Canoga Avenue, Suite 1400, Woodland Hills, California 91367. On February 28, 2006, I served the foregoing document described as:

TRUSTEE'S MOTION TO SELL CERTAIN REAL PROPERTY; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS IN SUPPORT THEREOF

- ☐ by placing the true copies thereof enclosed in sealed envelopes addressed as stated on the attached service list:
- ☒ by placing ☐ the original ☒ a true copy thereof enclosed in sealed envelopes addressed as follows:

See attached service list

☒ BY MAIL

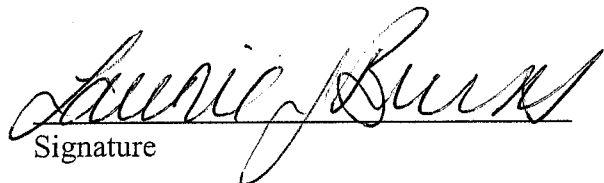
I caused such envelope to be deposited in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid. I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under the practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Woodland Hills, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more that one day after date of deposit for mailing an affidavit. Executed on February 28, 2006, Woodland Hills, California.

☒ PENDING SALES BOOK

In addition to the above service by mail, I made arrangements for an extra copy which was clearly marked "Copy for Notice of Pending Sales Book", as well as a Form 6004-2, which accompanied the original "Notice of Sale of Estate Property" to be filed with the United States Bankruptcy Clerk, in accordance with Local Bankr. R. 6004-2

- ☐ (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.
- ☒ (FEDERAL) I declare under penalty of perjury that the foregoing is true and correct and that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Laurie J. Burns
Name


Signature

**Brian Kevin Nainby
Laura Lea Nainby
SV05-14344-MT**

Debtors

Brian & Laura Nainby
15916 Calle Cheval
Santa Clarita, CA 91390

Debtor's Attorney

Steven A. Alpert
Price Law Group
15769 Ventura Blvd., #1100
Encino, CA 91436

David R. Hagen
Chapter 7 Trustee
6320 Canoga Ave., Suite 1400
Woodland Hills, CA 91367

Office of the US Trustee
21051 Warner Center Lane, #115
Woodland Hills, CA 91367

Jan Neiman
Neiman Realty
14205 Collins Street
Van Nuys, CA 91401

Buyer

Gungor H. Demireza
P.O. Box 1033
Beverly Hills, CA 90213

Request for Special Notice

Household Finance Corporation
by eCast Settlement Corp., as its agent
P.O. Box 35480
Newark, NJ 07193-5480

Los Angeles County Tax Collectors
225 N. Hill Street, #130
Los Angeles, CA 90012

Attorney for L.A. County Tax Collectors

Elizabeth Marie Cortez, Esq.
The County of Los Angeles
500 W. Temple Street, #651
Los Angeles, CA 90012